



October 23, 2001

TO ALL INTERESTED PARTIES:

On Friday, October 19, 2001, the Department received a second petition for a public hearing on minimum farm pricing for milk. This petition was submitted by Land O' Lakes, Inc.

The Land O' Lakes petition asks the Department to include the Class 4b pricing formulas in the call of the hearing should the Department grant a hearing based upon the California Dairies, Inc. (CDI), petition received on October 15. Class 4b milk is milk used to make cheese other than cottage cheese. The CDI petition asked the Department to consider amendments to the Class 4a pricing formulas. Class 4a is milk used primarily to make butter and nonfat dry milk.

In both cases, the petitions were submitted based upon manufacturing cost data released by the Department indicating that energy costs incurred by dairy manufacturing plants continue to be higher than in recent years due to higher market prices for electricity and natural gas.

The Department has fifteen days from the receipt of a petition to either grant a hearing or to notify the petitioner that the petition is being denied. The Department will make its determination regarding the petitions received no later than October 30, 2001.

Copies of both the Land O' Lakes and the CDI petitions may be obtained by contacting the Dairy Marketing Branch at the telephone number or e-mail address above. The petitions may also be downloaded from the Dairy Programs website at www.cdfa.ca.gov/dairy. From the website, click on the "Dairy Industry News" link and then on "Petitions received by the Department."

If you have any questions regarding these petitions, please contact Tom Gossard or Bob Maxie at the Dairy Marketing Branch.

Sincerely,

David K. Ikari, Chief
Dairy Marketing Branch

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